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January 18, 2006

Hon. Gregory M. Sleet, U.S.D.J.
United States District Court
J. Caleb Boggs Federal Building
844 N. King Street
Room 324, Lockbox 19
Wilmington, DE 19801

RE: Integrated Health Services of Cliff Manor v. THCI: 04-910 (GMS)

Dear Judge Sleet:

We are co-counsel to plaintiffs in the referenced action.

In light of our conference call of this past Friday, we will treat the "Second Amended Counterclaims" served by defendant without leave of Court as inoperative, and accordingly withdraw our motion against it. Presumably defendant will, consistent with what you stated in the conference call, either (i) serve a new Second Amended Answer which adds as new counterclaims only those claims dismissed by you in the other action (04 Cv 367 [GMS]), without prejudice to their interposition here; or (ii) move for leave to serve a new pleading, containing such other claims as it may be advised.

As the subpoenae defendant had issued were certainly substantially addressed to counterclaims which are now clearly not at the moment in the case, we assume that the subpoenae are withdrawn. We accordingly withdraw our request for leave to move to quash. Based on the same understanding, we expect the nonparties to whom the

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subpoenae were addressed will now also treat them as withdrawn, and will not be moving against them, on either service or substantive grounds.

Respectfully yours,

A handwritten signature in black ink, appearing to be 'A. Alter', written over a horizontal line.

Amos Alter

Cc:

Robert E. Grossman, Esq.
Arent Fox PLLC

Victoria W. Counihan, Esq.
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